From: First Bank Mortgage, John Marcus

Subject: Reg Z - Truth in Lending

Comments:

Public Comments on Truth in Lending:

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Re: Docket Number R-1366

Ladies and Gentlemen,

Regarding the pending legislation referenced by the docket number above, I?d like to offer my comments.

I am a mortgage loan officer with 24 years experience doing FHA, VA, USDA, and conventional loans. I work for a Bank, am a member of the Georgia Mortgage Bankers Association, and have prided myself in ?doing things the right way? while many others in our industry did not. Excessive fees to consumers, ultra-risky, hard to understand adjustable rate loans, (not to mention fraud) have marred out industry long enough. For these reasons I and my associates applaud the effort to enact change to protect the consumer.

However, I am deeply concerned the legislation in its present form will have unintended consequences that will harm the consumer, especially those lower income groups.

Disclosures Required Within Three Days After Application

I am concerned about the summary of terms with the proposed regulation. Consumers need to see a unified, understandable summary. I feel the board should work together to simplify and consolidate the terms. Many consumers do not understand the definition of ?finance charges? for example. Without exception they are confused by the meaning of the APR versus the Rate used to calculate their payment. Without exception they ask me to explain to them

three points: 1. Can their rate change (and if so, how?) 2. How much money will they need at closing and therefore how much are the settlement charges? 3. How much is their monthly payment and how can it change? Most every consumer understands that tax and insurance escrows will affect their payment and that these items change over time. With these points in mind, perhaps it would be helpful to break down the terminology to ?settlement charges?, ?interest?, and ?escrows?.

Disclosures Required Three Days Before Consummation

I feel that Regulation Z changes effective July 30, 2009, and the new RESPA regulatory changes more than adequately ensure that consumers will not be subject to unexpected changes at closing. Every possible base has been covered. Some even argue the current changes go too far in some areas and are resulting in additional delays and expense to consumers. I feel strongly that Imposing additional requirements will cause harm to the consumer in the form of additional delays and expense.

Loan Officer Compensation

Those of us that did not participate in charging excessive fees and placing consumers in risky loan programs to increase compensation actually applaud the board?s efforts to cease the abuses relating to compensation. It?s long overdue. However, I believe to enact changes limiting compensation to a flat fee per loan, straight salary, or set percentage of the loan (especially one set too low) would be going too far.

Within the group of us doing things the right way exists some of the best and brightest talent available. Given that, our ability to deliver quality customer service is being strained to the limit with all the changes installed not only by regulators, but by loan servicers as well. To deliver this level of service, we are available 24/7 and we tolerate a sometimes inhuman level of stress. That?s what it takes to get mortgage loans closed--especially with all the new changes. Human nature is to work on the easiest loans and so the difficult ones would suffer if there is no incentive. In our business that means lower income borrowers, first time homebuyers and those with extenuating circumstances such as victims of identity theft, or recently divorced single mothers.

I feel a very good possible solution would be to cap the per loan compensation to 200 basis points. This provides enough incentive for the difficult situations on smaller loans, but prevents the abuses we have seen from some of those in our industry. On the easier loan transactions (that tend to have larger loan amounts), savvy customers who shop lenders is the norm and competition dictates to us compensation well below the cap without exception.

In closing, please let me express my appreciation for the board?s consideration of my comments and the other professionals in the mortgage industry.

Sincerely,

John Marcus

First Bank Mortgage